



ARNE H. CARLSON
GOVERNOR

STATE OF MINNESOTA

OFFICE OF THE GOVERNOR
130 STATE CAPITOL
SAINT PAUL 55155

April 17, 1996

The Honorable Irv Anderson
Speaker of the House of Representatives
463 State Office Building
Saint Paul, Minnesota 55155

Dear Speaker Anderson:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State Chapter 463, House File 3273, with the exception of the sections listed on the attachment to this letter.

As stated in my letter of April 15, this Administration proposed bonding priorities based on a strategic plan aimed at job growth, infrastructure, and quality of life. Projects included in the bonding bill need to meet certain criteria if they are to be funded with bonds backed by statewide taxes.

First, bonding projects should be prioritized according to statewide or regional need. It is not appropriate to include items that should be funded at the local level when items of statewide importance are left out of the bill.

It is also critical that projects fit into the long range plans of their respective operating system. For example, individual branches of the Minnesota State Colleges and Universities (MNSCU) system should not use political connections to bypass the plans of MNSCU leadership.

Finally, it is important that construction costs be kept to the bare minimum. It is not appropriate for state government to spend every single dollar allocated for a building simply because the dollars are available.

To that end, I am appointing a three-member team from my Administration to review all projects included in this bill. The team, consisting of Commissioner Wayne Simoneau, Commissioner Elaine Hansen, and Capital Budget Coordinator Lee Mehrkens, will have two primary tasks. First, they will be required to ensure that projects are done in the most economical fashion possible. And second, they will review the impact that these projects have on state operating costs. We should not be spending state dollars on bricks and mortar if there is no identified plan explaining where associated operating expenses will come from.

Speaker Irv Anderson

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Page Two of Two

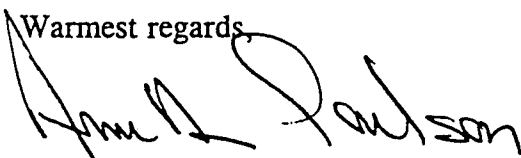
One project which I would like to address specifically is the \$12 million request for the Minneapolis Convention Center expansion. The stated reason for this funding is to purchase and clear land for the project. Minneapolis has made it clear that it will take approximately \$168 million to complete the expansion, but they have no plan outlining where the additional \$146 million of required funding will come from. The lack of a specific plan creates a great deal of confusion about who will ultimately pay for completion of the center. This confusion is reinforced by language in the bill which states:

"As a condition of this grant, the city of Minneapolis shall provide a report to the chairs of the house ways and means committee, house capital investment committee, senate finance committee, and commissioner of finance on or before July 1, 1997, which describes the long-term financing plan for expansion of the convention center. This financing plan must identify all capital and operating costs associated with expansion of the project and identify sources of financing, including alternatives to state participation in capital costs for the project."

The city of Minneapolis has been on notice that such a financing plan must be produced. The absence of this plan should not come as a surprise because within the city's existing bond plan, there is no significant revenue capacity until well after the turn of the century. Under this scenario, there would be a massive tax increase for Minneapolis residents or the state would be forced to assume the total cost of the project or there would be hole in the ground while the two jurisdictions debate who will fill it.

It is appropriate that the bill demands a total-package financing plan from Minneapolis, but it is not appropriate for the state to spend \$12 million in bonds until this plan is produced. I cannot in good conscience allow this project to go forward without such a plan.

Warmest regards,



ARNE H. CARLSON

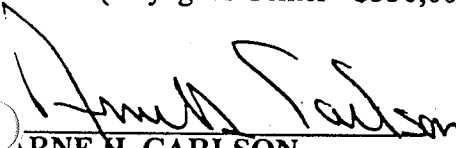
Governor

- c: Senator Allan Spear, President of the Senate
Senator Roger Moe, Majority Leader
Senator Dean Johnson, Minority Leader
Representative Steve Sviggum, Minority Leader
Chief Senate Author(s)
Chief House Author(s)
Mr. Patrick E. Flahaven, Secretary of the Senate
Mr. Edward A. Burdick, Chief Clerk of the House
Ms. Joan Anderson Growe, Secretary of State

RE: Governor's Line Item Vetoes of Chapter 463, House File 3273

The following items have been line item vetoed:

- Page 4, Section 2, subdivision 8, lines 3-8;
(Hibbing Community and Technical Colleges - \$4,500,000)
- Page 5, Section 2, subdivision 14, lines 5-17;
(Metropolitan State University, St. Paul Regional Campus Land Acquisition - \$1,600,000, Power Plant Annex - \$1,200,000 and Library - \$200,000)
- Page 12, Section 7, subdivision 4, lines 1-6;
(Fergus Falls Office Consolidation - \$2,300,000)
- Page 16, Section 7, subdivision 27, lines 59-63 and Page 17 lines 1-10;
(Laurentian Environmental Learning Center - \$750,000)
- Page 29, Section 16, subdivision 4, lines 29-42;
(Bed Expansion for Geriatrics Inmates - Ah Gwah Ching - \$700,000)
- Page 31, Section 17, subdivision 6, lines 12-17;
(Fergus Falls Regional Treatment Center Renovation Predesign - \$85,000)
- Page 35, Section 20, subdivision 3, lines 12-24;
(Neighborhood Land Trust Program - \$1,000,000)
- Page 36, Section 22, subdivision 3, lines 12-17
(Historic Site Network Master Planning - \$300,000)
- Page 37, Section 24, subdivision 4, lines 34-39;
(Farmamerica - \$400,000)
- Page 37, Section 24, subdivision 5, lines 40-43;
(Headwaters Science Grant - \$200,000)
- Page 38, Section 24, subdivision 7, lines 8-13;
(Lake Superior Zoological Gardens - \$1,500,000)
- Page 38, Section 24, subdivision 9, lines 26-30;
(Milwaukee Road Depot in Montevideo - \$500,000)
- Page 38, Section 24, subdivision 10, lines 31-56;
(Minneapolis Convention Center - \$12,000,000)
- Page 38, Section 24, subdivision 11, lines 57-59 and Page 39, lines 1-41;
(Multijurisdictional Reinvestment Programs - \$10,000,000)
- Page 40, Section 24, subdivision 15, lines 36-60;
(Voyageur Center - \$350,000)


ARNE H. CARLSON
Governor

4-17-96
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